

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: May 28, 2008
TO: Board of Commissioners
FROM: Bruce A. Warner, Executive Director
SUBJECT: Report Number 08-72
Resource Access Center Update

EXECUTIVE SUMMARY

BOARD ACTION REQUESTED

None — information only.

SUMMARY

In late 2007, the City selected the Housing Authority of Portland (HAP) to develop and own the Resource Access Center (RAC) and Transition Projects Inc. (TPI) to operate the RAC. Following significant siting work by the community, HAP, TPI, PDC, and other City staff and officials; the decision to site the RAC project on Block U was resolved by the PDC Board of Commissioners on February 27, 2008. Subject to appropriations and underwriting, the PDC Resolution provided \$28 million dollars for the development of the RAC and associated HAP housing. The Board resolved to come to an Agreement with HAP on the terms and conditions of the land conveyance and project funding by the end of May 2008. The Resolution said it was the “intent” of PDC to convey Block U to HAP by the end of June 2008. A similar City Council resolution followed shortly thereafter.

As requested, periodic updates have been provided to the Board including a staff report on 4/9/08 and an informational update by the Executive Director on 5/14/08.

HAP has done an excellent job of leading the development initiative in a participatory, collaborative manner. Over the past three months, significant progress has been made towards the development of the RAC including the following items accomplished since the last full report to the Board in April.

- RAC program concepts were explored including research on best practices throughout the nation at similar facilities. HAP and TPI staff visited several facilities in other states.
- A master project schedule was developed with significant detail showing a construction start in June 2009.
- Five conceptual design options were developed by Holst Architects.
- A property survey was done and geotechnical work was ordered.

- A Citizens Advisory Committee was established and has explored development concepts and specific architectural design ideas at two public meetings.
- Walsh Construction was hired as the Construction Manager/General Contractor for the project after a competitive selection process.
- Preliminary pricing for the five architectural design options is complete.
- HAP made decisions on housing subsidy type and project structure.
- Hart Crowser completed preliminary environmental analysis and DEQ approved the remediation plan. Total remediation activities were priced. Engineered drawings for the remediation work are being developed.

The DDA is being negotiated and significant progress has been made towards finalizing this agreement. The primary challenge remains the expectation of HAP that this disposition will be different than usual PDC disposition processes given the nature of the RAC development, the assignment of HAP as the developer by the City, the PDC and City Council Resolutions, and the nature of HAP as a public body. This expectation was supported by former City Councilor Eric Sten. Fitting this expectation into a realistic process and timeline is the assigned task of the project team. John Warner is the PDC negotiator in this effort and is working closely with Michael Andrews of HAP. Both organizations have been diligent in their work towards a DDA. PDC staff sees their task as the implementation of the Board Resolution through the delivery of an unusually expedited agreement that complies with PDC regulations and procedures and will result in a very successful project.

In addition to the DDA, an Inter Governmental Agreement (IGA) is another document that will be used in the RAC transaction. Staff views the IGA as a way for the Bureau of Housing and Community Development to deliver a strong commitment to long-term operating support for the RAC.

One big hurdle crossed in this negotiation is the agreement that remediation activities will be completed prior to conveyance. This will result in a conveyance after March 2009. Unresolved deal terms include the following:

- How the conveyance date relates to the conditions generally required preceding a conveyance,
- The appropriate default remedies,
- The appropriate long-term reporting requirements,
- The challenge of long term use control for the RAC,
- PDC role as co-participant in the process versus the usual approval authority for project features such as design,

- The most efficient way to meet PDC performance standards regarding hiring, wages, environmental/green given the mirrored, but not identical, HAP requirements,
- The impact of the estimated cost of \$400,000 for site remediation on the budgeted \$28 million dollars, and
- PDC responsibility for any additional remediation needs discovered after conveyance.

Over the next three weeks, PDC and HAP will continue to resolve issues and will draft the final DDA and IGA. Staff plans to return to the Commission at the end of June with completed agreements for Board approval.

BACKGROUND

The Resource Access Center is a critical part of the City's ten-year plan to end homelessness. The RAC is intended to be a major facility that will improve access by the homeless to a variety of services that will ultimately allow people to move more efficiently from homelessness into permanent housing. In addition to the RAC space, the development will include ground floor retail, a shelter, and at-grade structured parking on the first and mezzanine levels, with from 3-5 floors of housing above depending on the schematic concept selected. Housing will consist of 125 - 175 small apartments. The currently planned components of the RAC project are described below.

Elements of current RAC project:

Social Service Facilities:

Resource Access Center, approximately 14,000 gsf for a variety of social service programs serving the homeless

Queuing Courtyard for RAC clients, approximately 3,000 gsf

Shelter with 90 replacement beds for Glisan Street Shelter, approximately 7,500 gsf

Public Restrooms

Donations Center with easy access and loading

Parking for TPI employees

Bicycle Storage for RAC clients and Shelter residents

Housing:

Permanent Supportive Housing, 0-30% AMI, approximately 40 studio units

Affordable Housing,

30-60% AMI, approximately 110-120 studio, one-bedroom and two-bedroom units

Community Room(s)

Case Management Office(s)

Property Management Office(s)

Community outdoor area(s)

Parking for housing residents (1:10 ratio)

Bicycle Storage for housing residents

Commercial Space:

Approximately 7,500 gsf at-grade on 6th Avenue and Hoyt Street

Urban Design:

Responsive to Union Station

Use of strong, durable building materials striving for LEED silver certification

CC: K. Kalevor

J. Warner

B. Shaw

L. Gramp

S. Harpole

D. Elott, Acting General Counsel

J. Jackley, Director of Communications & Business Equity